

# HOUSE BILL REPORT

## SSB 6371

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### As Reported by House Committee On: Ways & Means

**Title:** An act relating to extending the customized employment training program.

**Brief Description:** Extending the customized employment training program.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Shin, Benton, Chase, Haugen, Kilmer, Delvin, Hatfield, Schoesler, Becker, McAuliffe and Conway).

#### **Brief History:**

##### **Committee Activity:**

Ways & Means: 2/24/12 [DP].

#### **Brief Summary of Substitute Bill**

- Extends the expiration date for the Washington Customized Employment Workforce Training Program to July 1, 2017.
- Extends the expiration date for customized employment training business and occupation tax credits to July 1, 2021.

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### HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass. Signed by 25 members: Representatives Hunter, Chair; Darneille, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Hasegawa, Vice Chair; Ormsby.

**Staff:** Trista Zugel (786-7157) and Rick Peterson (786-7150).

#### **Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Washington Customized Employment Workforce Training Program (Program) was created in 2006 to meet the training needs of employers locating or expanding in the state. The State Board for Community and Technical Colleges administers the Program. Training allowances are awarded to employers who have entered into training agreements with qualified community and technical colleges in the state. Preference is given to employers with fewer than 50 employees.

The Employment Training Finance Account (Account) was funded for the specific purpose of providing training allowances. At the completion of training, employers are required to pay one-quarter of the cost of the training into the Account. The additional three-quarters of the cost are paid back over the following 18 months. Repaid funds are deposited into the Account. The employer must make good faith efforts to hire from trainees in the Program; otherwise the employer is expected to make additional payments to the Account. Colleges must make good faith efforts to use trainers preferred by employers participating in the Program. Statutory authorization for the Account expires on July 1, 2012.

Participating employers may take a business and occupation tax credit equal to 50 percent of the value of their payments into the Account. Taxpayers may carry forward unused credits. However, credits may not be taken after July 1, 2016.

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**Summary of Bill:**

The expiration date of the Washington Customized Employment Workforce Training Program is extended five years to July 1, 2017.

The expiration date for use of customized employment training business and occupation tax credits is extended from July 1, 2016, to July 1, 2021.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This little program is a dynamo economic development tool that produces huge results. In the last year alone, seven companies have participated and trained 300 potential or incumbent workers. The average salary is about \$50,000 per year plus benefits. In addition to training, these same companies plan to add another 150 employees this year alone. Because this is a revolving account, the State Board for Community and Technical Colleges can use the funds over and over again to help our state's employers be more competitive in a global economy. We provide important training to the aerospace industry. North Seattle

Community College would love to have had the opportunity to take advantage of these funds but there was a wait list. We urge you to continue this program so that we can take advantage of it in the future.

(Opposed) None.

**Persons Testifying:** Kathy Goebel, State Board for Community and Technical Colleges; and Mark Mitsui, North Seattle Community College.

**Persons Signed In To Testify But Not Testifying:** None.